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PROCEEDINGS

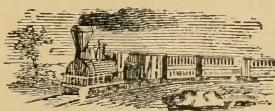
OF THE

STOCKHOLDERS

OF THE

North Carolina Railroad Company.

GREENSBORO, N. C., JULY 11, 1895.



RALEIGH, N. C.:
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1895.

PROCEEDINGS.

GREENSBORO, N. C., July 11, 1895.

On motion of LEE S. OVERMAN, Esq., Mr. H. W. FRIES was called to the chair, and D. W. C. BENBOW and P. B. RUFFIN were appointed Secretaries.

The Committee on Proxies reported number of stockholders represented in person and by proxy to be 10, and number of shares of stock represented to be 297.

Prof. CHARLES D. McIVER presented his credentials as State's proxy, which was in due form and was received.

The following persons were announced by the State's proxy as having been appointed by Gov. CARR as Directors on the part of the State for the ensuing year, viz.: Messrs. LEE S. OVERMAN, J. J. YOUNG, V. E. TURNER, CHARLES W. JOHNSON, WM. C. MAXWELL, F. S. SPRUILL, JNO. P. ALLISON and S. B. ALEXANDER.

The Chairman then announced that there was not a majority of the individual stock represented, and therefore the meeting could not organize.

On motion of Colonel JOHN L. MOREHEAD, the meeting adjourned.

H. W. FRIES,
Chairman.

D. W. C. BENBOW,
P. B. RUFFIN,
Secretaries.

PRESIDENT'S REPORT.

PRESIDENT'S OFFICE,
BURLINGTON, N. C., June 26, 1895.

*To the Board of Directors and Stockholders
of the North Carolina Railroad Company.*

GENTLEMEN: As President of your Company, I have the honor to submit my annual report for the fiscal year ending on the 31st day of May, 1895.

It becomes my painful duty to announce the death of Col. W. F. Kornegay, who for many years was a Director of the Company, and for more than three years was its honored President. He died while attending church at his home in Goldsboro, N. C., on the . . . day of October, 1894. Suitable resolutions in honor of his memory have been adopted by the Board of Directors, which have been spread upon the minutes of the Company. Colonel Kornegay was a good man, a patriotic citizen. His character for honesty and integrity could never be questioned; he was by nature kind and considerate, and he died the death of a Christian. He was devoted to the interests of the North Carolina Railroad Company, and discharged his duties as Director and as its President faithfully, courageously and with great ability.

Never in its history has your Company been in a better financial condition. The property is in first class condition, and the terms of the lease have been fully complied with. The Company is now practically out of debt, and when the rental, due on the 1st day of July, is paid, there will be cash on hand sufficient to pay off and discharge our entire indebtedness and have a considerable surplus in the treasury, showing beyond question that our earnings and dividends of profits exceed six per cent. per annum. By reference to the

report of the Secretary and Treasurer you will observe there is properly charged as a liability the semi-annual dividend of one hundred and twenty thousand dollars (\$120,000) declared, but not due until the 1st day of September, 1895. There will be due on the 1st day of July, 1895, from the lessee of the road, six months' rental, which will amount to the sum of one hundred and thirty-one thousand six hundred and eighty-three and $\frac{29}{100}$ dollars (\$131,683.29). It will also be seen that on the 31st day of May, the end of the fiscal year, we had, cash on hand, the sum of nineteen thousand three hundred and twenty-one and $\frac{55}{100}$ dollars (\$19,321.55), and cash assets amounting to one thousand four hundred and ninety-five and $\frac{4}{100}$ dollars (\$1,495.04).

The indebtedness of the Company, including the temporary loan, the September dividend, the unpaid and uncalled for dividends, and dividend certificates, amounts to the sum of one hundred and forty-three thousand dollars, with which to pay said indebtedness we will have the sum of one hundred and fifty-two thousand four hundred and ninety-nine and $\frac{88}{100}$ dollars (\$152,499.88), leaving assets, over and above liabilities, of nine thousand four hundred and ninety-nine and $\frac{88}{100}$ dollars (\$9,499.88).

Debt of the Company May 31, 1895	\$143,000 00
Less amount due from lease of road, due July 1, 1895	\$131,683 29
Less cash on hand	19,321 55
Less cash assets	1,495 04
Surplus	9,499 88
	\$152,499 88 \$152,499 88

While I believe upon every principle of right and justice it was the duty of your Company, three-fourths of whose stock is owned by the State, to have long since surrendered its exemption from taxation, inasmuch as the State has insisted that every corporation doing business and owning property within her borders should surrender all the special privileges in the way of immunities from taxation, which

years ago had been granted to them in their charters, and inasmuch as all of the railroads in the State, except the North Carolina Railroad Company, in obedience to that line of policy, have done so, either voluntarily or under compulsion, until we find that every species of property within the State, except that owned by your Company, is to-day bearing its proportion of the burden of taxation, and every other corporation in the State is contributing its portion to the support of the State government; yet, I am satisfied that at the January, 1896, meeting of the Board of Directors, a dividend of more than six per cent. per annum will be declared, payable semi-annually, which action will, by operation of law, at once subject all the property of your Company to be listed and assessed for taxation as all other property in the State of like character is taxed. It would have been, in my opinion, more patriotic for your Company to have voluntarily surrendered its exemption.

There has been no meeting of the stockholders held since the 13th of July, 1893. Fearing that an effort would be made to obtain the sanction of the stockholders to a resolution, that had been passed by the Board of Directors, to list all the property of the Company for taxation, and waiving the exemption, the private stockholders refused to go into the regular annual meeting called for the 12th day of July, 1894; and by reason of the provisions of a by-law of the Company, which requires that at least one hundred of the private stockholders, representing a majority of the private stock, shall be represented in person or by proxy at any meeting held, they prevented this regular annual meeting from being held. Any by-law or rule which, by its provisions, will permit a minority to prevent a majority of any body on earth from expressing its will is wrong, undemocratic and dangerous. This by-law should be at once repealed or so amended as to strike out its dangerous provisions, while at the same time the rights of the minority and the private stockholders should be carefully and fully protected.

I renew the recommendation made by my predecessor in two of his reports, that the stockholders in meeting assembled accept the amendment to the charter which was passed by the Legislature of 1891, in regard to the terminus of the road at Goldsboro, the following of which is a copy :

AN ACT TO AMEND CHAPTER EIGHTY-THREE, LAWS OF ONE THOUSAND EIGHT HUNDRED AND FORTY-EIGHT-NINE, RELATING TO THE CHARTER OF THE NORTH CAROLINA RAILROAD.

The General Assembly of North Carolina do enact :

SECTION 1. That chapter eighty-three, section one, of the Public Acts of North Carolina of one thousand eight hundred and forty-eight and nine, entitled "An act to incorporate the North Carolina Railroad Company," be amended by striking out, in line five, the words "where the same passes over the Neuse river," and inserting "at or near Goldsboro."

SEC. 2. That section two be also amended by striking out the words "where the same passes over Neuse river," and inserting "at or near Goldsboro."

SEC. 3. That the construction of the North Carolina Railroad by the North Carolina Railroad Company to the town of Goldsboro, as it now exists, is hereby ratified in as full a manner as if the original charter had authorized the said company to make a terminal point at Goldsboro instead of where the Wilmington and Raleigh Railroad passes over the Neuse river.

SEC. 4. That the North Carolina Railroad Company is hereby empowered to hold and keep possession of all its property, as the same exists at present, in all [as] full and complete a manner as if the terminal point of said road had been designated in the original charter as being at or near Goldsboro, so that said company shall not be prejudiced in the assertion of its rights by the fact that the terminal point at or near Goldsboro was not then in such charter; nor shall any other corporation or individual be prejudiced in the assertion of their rights hereby in any court of law or equity.

SEC. 5. That the track at present in possession of said company and running into Goldsboro, and the right-of-way to said point, shall be entitled to all the legal protection which is extended by its charter to the other parts of said road, and subject to the same provisions of said charter and its various amendments; nor shall any other corporation or other individual be prejudiced in the assertion of their rights hereby in any court of law or equity: *Provided, however,* that nothing herein shall be construed to affect or destroy any vested right, power or privilege now existing or enjoyed by any corporation or individual to the land over

which the track of the said the North Carolina Railroad now runs, or to the right-of-way over said land, or to the right, if any exists, to cross the track of the said the North Carolina Railroad Company with the track of any such corporation or individual; but as to any such rights, powers or privileges, the said the North Carolina Railroad Company or any other corporation to be affected hereby, is left to such remedies for condemnation or otherwise as the said companies may possess under their charter or amendments thereto, or the laws of the State.

Ratified the 7th day of March, A. D. 1891.

The report of your expert, Dr. Thos. D. Hogg, showing the general condition of the property, is herewith appended as a part of this report.

All of which is respectfully submitted,

LEE S. OVERMAN,
President.

EXPERT'S REPORT.

RALEIGH, N. C., June 12, 1895.

President and Directors of N. C. R. R.

GENTLEMEN: I examined the North Carolina Railroad from Goldsboro to Charlotte on the 10th and 11th of this month. I find that there has been sufficient repairs done on the depot buildings at Princeton, Hillsboro and Haw River to bring them within the terms of the lease. There has been no work done upon the buildings of the shops at Burlington, and the necessity for repairing the woodwork there is urgent, and it cannot be postponed without great detriment to the property.

Just east of Clayton they have opened a gravel-pit for ballast, which is of washed pebble and sand, with little or no clay in it. It is excellent material, and they are taking out a great many carloads a day and distributing them along the whole road. Where heretofore they have used wood for small waterways under the track (which did not last more than four or five years) they are now using iron pipe from twelve to eighteen inches diameter.

From the Salem junction to three miles west of Yadkin river bridge there is a 70-pound steel rail, and from just north of the Air-Line junction to Concord is a 75-pound steel rail, and they are now continuing that four miles further north. This has taken the place of the 60½-pound rail, which has been taken to other parts of the system.

From the Air-Line junction to the old North Carolina depot in Charlotte the experts have heretofore regarded as a siding, and did not ask

for the repair of the track, but since our meeting in October that track has been laid with 60½-pound steel rails, and most of the sidings in the yard at Charlotte have been laid with 50-pound steel rails. So I regard the track of the whole road as being in much better condition than I have ever seen it since I have been your expert. The rest of the property is in a very satisfactory condition and fully up to the terms of the lease.

I am, yours respectfully,

THOS. D. HOGG,
Expert N. C. R. R.

SECRETARY AND TREASURER'S REPORT.

BURLINGTON, N. C., June 1, 1895.

To the Stockholders of the North Carolina R. R. Co.

GENTLEMEN: I herewith submit to you my annual report of the receipts and disbursements of the Company and its financial condition for the fiscal year ending May 31, 1895.

Very respectfully,

P. B. RUFFIN,
Secretary and Treasurer.

P. B. RUFFIN, Treasurer, In account with the N. C. RAILROAD CO.,

RECEIPTS.

From Lease of the North Carolina Railroad	\$263,366 58	
“ Temporary loan	22,000 00	
“ Interest	546 78	
“ Rents collected	439 16	
“ Dividend No 32	24 00	
“ Tax account received from R. & D. R. R Company	10,000 00	
		\$296,376 52
Cash on hand June 1, 1894		3,575 86
		\$299,952 38

Commencing June 1, 1894, and ending May 31, 1895.

DISBURSEMENTS.			
Dividends	\$ 237,657 00		
Temporary loan	23,000 00		
Taxes	14,189 07		
Salaries	3,943 75		
Legal expenses	134 45		
Incidentals	766 42		
Repairs of buildings	51 28		
Interest	888 86		
			\$ 230,630 83
Cash on hand June 1, 1895			19,321 55
			\$ 299,952 38

P. B. RUFFIN, *Treasurer.*

Financial Condition of the North Carolina Railroad Co

PROPERTY ASSETS.			
Construction and equipment	\$ 4,975,627 53		
Northwestern N. C. R. R. stock	20,000 00		
State University R. R. stock	5,000 00		
			\$ 5,000,627 53
CASH ASSETS.			
Bills receivable	\$ 300 00		
Dividend tax	17 95		
Rent book	43 05		
Due from other companies	1,134 04		
			1,495 04
Cash on hand May 31, 1895			19,321 55
			\$ 5,021,444 12

For the Fiscal Year Ending May 31, 1895.

LIABILITIES.			
Capital stock			\$ 4,000,000 00
FLOATING DEBT.			
Temporary loan	\$	16,000 00	
Unpaid dividends		6,892 00	
Three per cent. on dividend No. 33, due September 1, 1895		120,000 00	
Dividend certificates		108 00	
			143,000 00
Profit and loss			878,444 12
			\$ 5,021,444 12

P. B. RUFFIN, *Secretary.*

REPORT OF FINANCE COMMITTEE.

NORTH CAROLINA RAILROAD COMPANY,
BURLINGTON, N. C., June 7, 1895.

We, your Committee, report that we have discharged the duty required of us. The Treasurer's books have been properly and correctly kept, and every charge is sustained by a proper voucher. The vouchers have been examined and filed. The stock and dividend books were fully examined and found correct and in good order. The cash balance in the Treasurer's hands we find to be on June 1, 1895, \$19,321.55.

Respectfully submitted,

W. E. HOLT,
W. C. MAXWELL,
BENNEHAN CAMERON,
HUGH MACRAE,
JNO. P. ALLISON,

Finance Committee.

AUG 8 1904

